

STATE OF MICHIGAN  
**COMBINING STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
FISCAL YEAR ENDED SEPTEMBER 30, 1999  
(In Thousands)

	LIQUOR PURCHASE REVOLVING FUND	STATE LOTTERY FUND	TOTALS <u>SEPTEMBER 30,</u> <u>1999</u>	<u>SEPTEMBER 30,</u> <u>1998</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 99,776	\$ 620,735	\$ 720,511	\$ 707,920
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation	75	573	648	688
Other adjustments	41	-	41	208
Changes in assets and liabilities:				
Inventories	(1,692)	1,009	(683)	7,702
Other assets	189	1,097	1,286	1,869
Accounts payable and other liabilities	7,651	(123,833)	(116,182)	(96,594)
Amounts due to other funds	(1)	(52)	(53)	(1,068)
Deferred revenue	(484)	-	(484)	472
Net cash provided (used) by operating activities	<u>\$ 105,554</u>	<u>\$ 499,530</u>	<u>\$ 605,084</u>	<u>\$ 621,197</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Specific tax on spirits	\$ 9,304	\$ -	\$ 9,304	\$ 8,846
Operating transfers to other funds	(112,944)	(629,457)	(742,401)	(728,269)
Equity transfers from other funds	-	-	-	1,449
Equity transfers to other funds	(6,500)	-	(6,500)	-
Net cash provided (used) by noncapital financing activities	<u>\$ (110,140)</u>	<u>\$ (629,457)</u>	<u>\$ (739,597)</u>	<u>\$ (717,974)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	\$ -	\$ (212)	\$ (212)	\$ (207)
Proceeds from sale of property, plant, and equipment	-	-	-	11
Net cash provided (used) by capital and related financing activities	<u>\$ -</u>	<u>\$ (212)</u>	<u>\$ (212)</u>	<u>\$ (196)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investment securities	\$ -	\$ -	\$ -	\$ (22,126)
Proceeds from sale and maturities of investment securities	-	132,571	132,571	125,876
Interest and dividends on investments	3,824	4,847	8,671	6,632
Proceeds from securities lending activities	-	15,681	15,681	25,592
Expenses from securities lending activities	-	(14,550)	(14,550)	(24,496)
Net cash provided (used) by investing activities	<u>\$ 3,824</u>	<u>\$ 138,549</u>	<u>\$ 142,373</u>	<u>\$ 111,478</u>
Net cash provided (used) - all activities	\$ (762)	\$ 8,410	\$ 7,648	\$ 14,506
Cash and cash equivalents at beginning of year	48,662	21,327	69,990	55,485
<b>Cash and cash equivalents at end of year</b>	<u>\$ 47,900</u>	<u>\$ 29,738</u>	<u>\$ 77,638</u>	<u>\$ 69,990</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>				
Per balance sheet classifications:				
Cash	\$ 4,383	\$ 2	\$ 4,385	\$ 1,638
Equity in common cash	49,276	30,796	80,072	76,111
Warrants outstanding	(5,759)	(1,060)	(6,819)	(7,759)
Cash and cash equivalents at end of year	<u>\$ 47,900</u>	<u>\$ 29,738</u>	<u>\$ 77,638</u>	<u>\$ 69,990</u>